

MINUTES ADOPTED BY CITY COUNCIL

Greenville, NC
January 29, 2004

The Greenville City Council met in a workshop meeting on the above date at 4:00 PM in the City Council Chambers, third floor of the Municipal Building, with Mayor Robert D. Parrott presiding. The following were present.

Mayor Don Parrott
Mayor Pro-Tem Ric Miller
Council Member Mildred Council
Council Member Ray Craft
Council Member Pat Dunn
Council Member Rose H. Glover
Council Member Chip Little
Marvin W. Davis, City Manager
Patricia A. Sugg Deputy City Clerk
David A. Holec, City Attorney

OPENING OF MEETING

Mayor Parrott called the meeting to order and welcomed the Council and staff.

DISCUSSION OF 2004-2009 CAPITAL IMPROVEMENT PROGRAM

Proposed Street Improvements

Mr. Tom Tysinger, Director of Public Works, referred to the following list and stated that the current volumes are based on actual counts taken in 2001 on the existing portions of the roads and are adjusted to reflect growth through 2004. The 2025 computer projected volumes were determined by the North Carolina Department of Transportation.

<u>PROJECT</u>	<u>TRAFFIC VOLUME</u>	
	Average Daily Trips (ADT)	
Brownlea Drive Ext. (PH II) (14th - 10th)	2004	0,000
	2025	11,800
Brownlea Drive Ext. (PH III) (10th - 5th)	2004	0,000
	2025	12,000
Thomas Langston Road Ext. (Memorial Drive - Evans Street)	2004	0,000
	2025	7,800
Arlington Boulevard Ext. (MacGregor Downs Road - NC 43)	2004	9,600
	2025	14,000

Mr. Tysinger explained that the projections are based on assumptions that have been made over the past three years and are a good indicator of what the traffic volumes will be. The projection for Brownlea Drive, from Fourteenth Street to Fifth Street is approximately 12,000 trips per day. The Thomas Langston Road Extension from Evans Street to Memorial Drive is 7,800 trips per day, and the Arlington Boulevard Extension is projected at 14,000 trips per day. Mr. Tysinger stated that because traffic volumes are projections it should not be the sole piece of information used to prioritize projects.

The following questions and/or comments were expressed and the responses given:

Where is the traffic currently going that will be proposed for Brownlea Drive?

RESPONSE: The traffic is currently going down Elm Street, Greenville Boulevard or Charles Boulevard. The proposed Brownlea Drive will serve a group of people who live in College Court, towards E.B. Aycock Middle School and Tucker Estates. People coming from the University side of town will use that route to get to their residence and it will relieve traffic on Greenville Boulevard, Elm Street and through the neighborhood that is currently being traveled.

Are the Elm Street and Greenville Boulevard areas at capacity for an average day of travel?

RESPONSE: Not currently in those segments. It is estimated that Greenville Boulevard is closer to capacity with Fourteenth Street and Greenville Boulevard area having 28,000 to 32,000 trips per day and can possibly carry 35,000 trips per day. Elm Street is not as close to capacity as Greenville Boulevard.

As Greenville grows as a city does staff envision other forms of transportation such as buses or carpooling to ease the flow of traffic?

RESPONSE: When looking out 20 or 25 years the City will be forced to go to other forms of transportation. Staff is currently working on a Park and Ride Program and when the population of Greenville reaches 100,000 to 120,000, public transportation will become a major issue. This is the reason staff is pushing to get an authority or an umbrella organization that can look after public transportation across the whole City and County as well.

What is the deadline for the Brownlea right-of-way acquisition?

RESPONSE: 15 or 20 years.

Mayor Parrott stated that it was not too early for the Council to be thinking about the year 2010 because the situation the City is in right now will not do anything but get worse if the City Council does not start thinking about what the City will look like in 2010, 2012 or even 2020. The Council needs to be looking far out, especially for thoroughfares and roads because these types of projects take five to eight years to complete.

Mr. Tysinger stated that some of the projects on the list were needed years ago. Thomas Langston Road is a good example, because of the dilemma with Fire Tower Road. That road is needed today.

Is East Carolina University looking at student parking?

RESPONSE: East Carolina University has already made some changes on student parking. Freshmen are now required to park in a lot on Dickinson Avenue past Memorial Drive and are bused into the campus. The students then walk or are bused around the campus.

Could the City do Revenue Bonds to speed up the process of repairing area streets?

RESPONSE: When reviewing the projects on the above list, the debt service for these projects will typically come out of the Powell Bill Fund. There will be some concern about fund balance and the ability to cover this expense and the operating expense solely out of the Powell Bill account.

Sidewalk Program

Mr. Tysinger reviewed a Sidewalk Program chart that has been in place for approximately 5 years that is used to prioritize needed sidewalks.

City Manager Davis informed the Council that the City uses some of the City's funds to leverage North Carolina Department of Transportation funds for doing additional sidewalks.

Mr. Tysinger stated that if the City does a sidewalk on a City Street it is 60% local, 40% state funded.

The following questions and/or comments were expressed and the responses given:

How much does the City budget per year for sidewalks?

RESPONSE: \$200,000 a year and then the City leverages that with the North Carolina Department of Transportation funds to get \$350,000.

Would the City be able to utilize that \$200,000 to pay the debt service of \$111,000? Is this in addition to spending \$200,000 a year plus another \$111,000 on debt service?

RESPONSE: If a bond is used, then the City should try to do a large project in the beginning.

At some point the City will have to fund the debt service.

RESPONSE: That is correct. The debt service will start out low in the first year and compound as it goes up and then will drop back down. \$200,000 might cover the debt service for the first couple of years but may not take care of it in the middle years where the amount of debt service is the greatest.

How did staff come up with \$111,000? Is that based on the full amount of money being withdrawn?

RESPONSE: \$111,000 is how much money will be required for that debt in full. This is the City's fourth or fifth year program of sidewalks and there was not an active program before then. A dominant part of this money has come from Capital Reserve over that

period of years. It was money that was set aside as transportation, not in whole, but a predominate part of it has come from Capital Reserve, and it will not be an annual recurring source.

Mayor Parrott stated that the \$111,000 includes principal and interest and in the beginning the City is paying more interest and less principal.

City Manager Davis reminded everyone that when the Local Government Commission approves financing, it is not like a house payment with a level payment, it is a front-end loaded curve.

Parking Decks

City Manager Davis informed the Council that the parking decks will be a later COPS issue because when COPS are issued the City has to have some type of bid or contract in hand. 100% of the debt service will be seen on the individual parking decks. The cost per space will be between \$13,000 and \$15,000 for a veneer or façade, or one that the City could be proud of. There will be an opportunity to rent spaces on both a monthly basis and an hourly or half a day basis. Any deck that is built will require a subsidy. That is not only true for Greenville but is true for most any other city except very large metropolitan cities that have 25 to 30 story buildings and a high demand and intensity. City Manager Davis stated that the corner of Fourth and Cotanche Streets and potentially the corner of Washington and Fourth Streets are potential areas. The Council was informed that the firm Post, Buckley, Schuh and Jernigan, Inc. previously completed a downtown parking circulation study for Greenville and could be a good firm to use for siting the parking deck. There is a possibility within the next 2 to 3 years that the City Council will have discussion regarding a hotel and maybe a joint relationship with the University for an Alumni Center or an office building, and the parking decks will play a big role in that. The closer the decks are to the university the more revenue the City will receive, because the freshmen students that are parking on Dickinson Avenue will use the parking decks to park. There is a potential that the revenue source from the decks will be more than what is normally projected in other cities that do not have a university located so close to the downtown area or a university with the parking problems on campus that East Carolina University is presently experiencing. The parking situation on campus, with the buildings that East Carolina has projected, is not going to get any better and will continue to deteriorate over the years.

If the City receives 50% or 2/3rds of the revenue that is received from the parking decks, that will cover the majority of the indebtedness related to the projects. There will also be additional parking revenue because of the amount of activity in the downtown area late at night. City Manager Davis stated that he felt there would be a need over the next 5 years for parking decks and the City Council needs to begin thinking and planning for these projects.

Council Member Dunn stated that if a lot of the parking spaces were used by students then that would defeat the purpose of having parking spaces for people who come downtown.

Mayor Parrott stated that the City would always control the parking spaces. There will be certain businesses like Self Help Credit Union who want 100+ spaces and the East Group who wants 20 to 50 spaces. Those spaces will be reserved and then there would be spaces that could be leased out on a weekly basis to students and the City could still maintain spaces for people coming to the downtown area.

Council Member Little stated that the parking deck has a COPS project for December 2004 and asked if the City was projecting any plans and will there be a closer understanding of what the potential revenue stream will be because the Council does not know how many spaces are being talked about.

Mayor Pro-Tem Miller stated that he thought the City should go forward and instruct the staff to work with Post, Buckley, Schuh and Jernigan, Inc., the previous consultant who knows the uptown area. There is presently a waiting list for surface parking and it appears that it is time to spend money up front for the planning of the deck instead of trying to reinvent the wheel. Hopefully, the City can find a developer that will build the deck and sell it to the City so that staff will not have the headaches of going through the process, and the City will end up with an end product of high quality and less cost. The City does not need to go through a procedure that is long and expensive when there are people in the private sector that do this for a living and who can deliver a deck ready to park on that the City will be proud of and that is cost effective.

Council Member Dunn stated that she would like for Council to put on paper the things that are important to accomplish within a 5-year period as a commitment for the City. The City Council needs to commit on paper what will happen, when it will happen and what it will cost so that the Council can start thinking about the budget.

Mayor Parrott stated that after everything is consolidated together staff would come back and say this is what Council said they wanted, this is how much it will cost and this is how much annual debt service is related to these projects. At that time Council may have to delete some things.

Mr. Tysinger replied that he thought there needed to be more discussion with the Self Help Credit Union and the City should to use Post, Buckley, Schuh and Jernigan, Inc., the firm that previously completed the parking circulation study, to help site the parking deck. This can be done now and staff will need to involve discussions with Self Help, the University and others to be able to site the deck or decks the way it needs to be done.

The following questions and/or comments were expressed and the responses given.

Will money be needed in the 2004 budget year to do some of this?

RESPONSE: To get where Council wants to be by December, staff needs to move forward with the siting issue before this fiscal year ends. Staff needs to be working on it now.

Are we talking about money in the current budget between now and Christmas and how much?

RESPONSE: The cost would be \$20,000 to \$25,000 for the siting and that will help staff's discussions with Self Help. Staff will go ahead and make contact with Post, Buckley, Schuh and Jernigan, Inc.

City Manager Davis informed the Council that they had requested a certain amount of money be set aside and to designate above 10% for capital reserve. Staff will be bringing budget ordinances to Council, and that money is decreasing, but it is for good reasons. There have been good discussions with Self Help Credit and with the Parking and Transportation Commission.

Mayor Pro-Tem Miller stated that he agreed that staff should contact Post, Buckley, Schuh and Jernigan, Inc, the previous firm that prepared the parking survey. The Council needs to get to a point where it is known what a parking deck will cost and take some effort to contact people and get an indication of how many spaces the City could pre-lease.

Upon being asked how he understood the instructions given regarding parking decks at the last Council meeting on January 22, 2004, Mr. Tysinger replied that Council indicated that staff needed to do an inventory.

City Manager Davis stated that it was understood that City staff would try to determine demand and interest for a parking deck, but a motion was not made to allocate any money for planning, contract prices or construction prices.

Motion was made by Council Member Dunn for staff to go out and find out who will rent the parking spaces, asking the County, the Courthouse and already known from Self Help and then staff come back with some kind of data and tell Council what the needs right now would be. (This motion was later withdrawn.)

Mayor Parrott stated that if staff needed to spend money out of capital reserve then discussions with Council would be necessary.

Mr. Tysinger stated he was concerned that if the parking deck is too big the City will end up not serving the area that needs to be serviced because people will have to walk too far. This is why there is a need to have someone to help site the project. Mr. Tysinger further stated that he would contact Post, Buckley, Schuh and Jernigan, Inc. and describe what the City is looking for and get a proposal. The cost might not be \$20,000 or \$25,000 it might be \$10,000.

Council Member Glover asked if a firm had already done this, and Mr. Tysinger replied that Post, Buckley, Schuh and Jernigan, Inc. completed a parking and circulation study for Greenville approximately 5 years ago and is very familiar with the area and hopefully will be less expensive to retain. This firm would certainly be better equipped than any other firm City staff could talk to.

City Manager Davis stated that the previous analysis did not include a parking deck.

The following questions and/or comments were expressed and the responses given:

When can a proposal be obtained?

RESPONSE: In approximately two weeks.

Can you find out what some of the needs are without spending a lot of money?

RESPONSE: Staff can poll people to find out some of the needs, but that is not necessarily going to tell where the best place is to put a parking deck. City staff can make contacts but the question is whether staff will contact the right people and contact everyone that might be interested in the parking deck. Staff can reach the obvious ones but that might not be everybody.

Will Post, Buckley, Schuh and Jernigan, Inc. be able to help in compiling the numbers?

RESPONSE: Post, Buckley, Schuh and Jernigan, Inc. could help in compiling the numbers but it would be an expensive endeavor and is something that staff can prepare.

Council Member Dunn stated she would like to see all the projects and estimated dollar cost that Council is interested in accomplishing and then prioritize them at one time. Council Member Dunn further stated that some of the funds could come out of the fund balance, but the fund balance will soon be empty if Council keeps taking money out. Council Member Dunn explained that she was not saying that Council should not take money out of fund balance, but it should figure out how much money is being taken out every time. There are a number of items already on the table and Council needs to state which ones they want in the upcoming 2004-05 budget.

Mayor Parrott stated that the Council does not know if a parking deck is feasible and who will use it until a study is done. Planning money must be spent up front to decide whether to move forward with the proposed project. Presently City Council does not have all the facts to make a decision. If money is spent and it is decided to delay the project for a year or two, the survey can always be put on the shelf.

Council Member Little agreed that a decision could not be made regarding priority until more was known about the project.

Motion was made by Council Member Craft and seconded by Council Member Dunn for Mr. Tysinger to contact Post, Buckley, Schuh and Jernigan, Inc. and find out if the firm is interested in submitting a written proposal to the City regarding the study and the need of feasibility. Motion carried unanimously.

After discussion, Council Member Dunn withdrew her previous motion.

GO Projects

Mayor Parrott informed the City Council that the next item to review is the GO Projects. Mayor Parrott reminded the Council that at their last meeting discussion occurred regarding placing transportation on the ballot in November. There is also the 45-Block Revitalization, the Center City Revitalization and the Affordable Housing Program for a total of \$30 million. Council needs to inform staff what is to be placed on the ballot as soon as possible because it will take 6 or 7 months to get all this done. A decision may not be made at this meeting but Council needs to begin discussions regarding the GO projects.

Mayor Pro-Tem Miller stated that he was under the impression that the Arlington Boulevard Extension and the Medical District was being handled by the North Carolina Department of Transportation.

Mr. Tysinger replied that there had been earlier discussions and the Medical School and North Carolina Department of Transportation were previously working on a deal to share the cost, but that has fallen by the wayside because the funding source was not as flexible as originally thought. There have been recent conversations with a North Carolina Department of Transportation board member, and he has reiterated his desire to pursue this project through the Transportation Improvement Program and feels good about the project being able to move forward in that program. If the Council feels good about the North Carolina Department of Transportation pursuing this project, it would be one that could come off the list.

Upon being asked about the timeframe of the project, Mr. Tysinger replied that typically a Transportation Improvement Program project takes 7 years. The Board Member feels he can get it done much quicker because of the preliminary work done earlier between the University and the North Carolina Department of Transportation.

Mayor Parrott stated that the City Council needed to think about what GO projects would be placed on the ballot. Historically, this is done about every 10 years, with the last time being in 1992. When looking at the 45-Block Revitalization, and the Center City Revitalization, it will be another 10 years before another GO bond is issued.

Mayor Pro-Tem Miller stated that if a GO bond is put out there to be voted on, everything would have to be voted on separately. Mayor Pro-Tem Miller further stated that he would not have a problem putting a \$5 million transportation issue out there if it will take care of Thomas Langston Road, Third Street and maybe Brownlea Drive.

Mayor Pro Tem Miller asked if the 45-Block Revitalization and the Center City could be done together. City Manager Davis replied that would have to be the Bond Attorney's final call.

Mayor Parrott stated that if Council put the projects on the ballot and the general public voted for them, then the public is saying they want these projects. If the projects are put on the ballot and the general public does not pass them then the City Council will not have to worry about it.

Mayor Pro-Tem Miller stated that the cost is \$1.2 million a year in debt service for the GO Bonds.

Council Member Dunn asked if that amount would increase. City Manager Davis replied that \$80,000 was a good ballpark for a front-end yield.

Mayor Pro-Tem Miller stated that \$1.2 million would cost about \$.03 to \$.035 in property tax.

Upon being asked if there were any increased operating costs in these projects, City Manager Davis replied that there are operating costs in the Center City project.

Mr. Andy Harris stated that the implementation of the Center City Redevelopment program would be a significant program that will involve up to 4 staff members to carry out the program.

Mayor Parrott asked if any staff was presently allocated to the project, Mr. Harris replied no.

Council Member Dunn stated that the Center City Project would add an additional \$200,000 to the budget, and the additional fire station would add \$440,000 for a total of \$650,000 for operation of the two projects.

Mayor Parrott stated that the operation end of it will come out of the City's growth as the ad valorem tax base grows the City's sales tax grows, and that should help compensate for operations.

Council Member Dunn reminded City Council that the City Hall Administrative Building would be another addition.

Mayor Parrott stated that the projects are being pursued because of anticipation of the City's growth and as the City grows there should be a tax base out there to help support the operation of that entity.

Mayor Pro-Tem Miller stated that if the City builds a parking deck, a hotel, and some of the rehab is torn down and rebuilt it would be assumed that the tax base is going to increase and reimburse that debt service. If the Council does not believe this, then Council needs to stop right now and not do anything for 20 years and see what happens.

Council Member Dunn stated that she did not disagree, but that the growth will not occur immediately. In the meantime, the City will have to pay for the projects.

Mayor Pro-Tem Miller stated that someone had to invest in the capital upfront to make it happen, if not the council will do what has always been done and that is not do anything.

Council Member Dunn stated that the fire station will cost \$3,078,000, City Hall will cost \$4.7 million, Administrative Offices another \$4.5 million, Center City \$5 million, and \$5 million for the roads. That is approximately \$18 million and then the operating cost for the fire station is \$480,000, \$200,000 for the City Center, and the roads and City Hall will not add any additional cost.

Mayor Parrott stated that the worst mistake that can be made is not to do anything. The Council needs to think about all the projects, how the projects can be funded, and how to move forward. Greenville has been informed by outside experts that the growth is coming. The University has also been told that they will grow to 27,000 to 28,000 students. The cost can be spread out over 30 years and the City would not have to pay for it all at one time.

Council Member Dunn reminded the Council that she was not opposing the projects but wanted to see all the figures at one time and know realistically what it is going to add to the City's budget.

Council Member Glover stated that the Council is having to deal with years of things being put off and now the burden has fallen upon this Council to make a decision. The City Council must come to a point where the Council can move on to decide, agree and prioritize what the priorities are, what monies are needed and where the money will come from and how all this will be done.

Mayor Parrott stated that there is a certain section of the community that their quality of life is going to be the same whether the City does anything or not but there is another section of the community that if something is not done their quality of life is not going to improve. This needs to be thought about long term. If the quality of life is not improved for the least of the people in our community, then this community is not going to be what the City wants it to be 10 years from now.

Council Member Dunn stated the Council can make those decisions but the Council will also have to persuade the citizens of Greenville. If the citizens do not want it, it will not happen. The bond issues must be voted on by the citizens. If Council agrees to do this, the Council will need to put in place a mechanism or a plan to help the citizens buy into the projects because the citizens will have to pay for it.

City Manager Davis informed the Council that a Bond Advocacy Group would be needed as an advocate for getting the bonds passed. The bonds have to be for things that citizens believe in because that is why they vote for it. All the combinations are needed as Council Member Dunn has said. The Council needs to stick with this discussion in order to come to a point where staff can present everything in a total lump sum.

Mayor Pro-Tem Miller stated that Council needed to look at the increased tax base and where the money will come from. If the City Council stood on the Fire Station Number 6 site and looked out within eye sight distance, it can see about \$15 million in new tax base development that is under construction or just finished. This is for property that the City has never received a tax revenue from. Within a half mile there is potential for probably \$100 million worth of new development. There have been conversations before regarding River Hills and the potential for that coming into the city limits with an increased tax base as the City expands down to Highway 33. The City needs to have a forecast. If staff does not know the forecast, then staff needs to talk to the private developers and find out what they are going to do and get their input so the City can anticipate what kind of tax base there is going to be in those areas.

Council Member Little stated that the revenue side is going to expand. The tax base that is going to come from revitalization will be phenomenal.

Council Member Dunn stated that all of this has to come together. The worst thing that could happen would be to put this on the bond referendum and for it to fail. It would be far better if it were not put out there because it would be more difficult in the future. The best thing that could happen and would demonstrate leadership of this Council is to put it on the bond issue and for it to pass. If it doesn't pass then this Council was not a good leader.

Mayor Parrott stated that he did not agree and he thought the worst thing Council could do was not put the ballot out there. The citizens need to vote on it to tell the Council what they want. To put it on a ballot would mean the Council is not doing its job. If the ballot is put out there and it fails then the citizens have told the Council they do not want to do this and the Council needs to back up and look at where the City is going. The community needs to tell the Council what they want to do. The City Manager is correct. The Council needs to be together as a Council on what needs to be done, and if the Council is not together then it definitely does not need to put the ballot out there.

City Manager Davis informed the Council that this might be an item to ask Dr. Ken Wilson of the East Carolina University Survey Lab to survey to get people's interest right now. If Council would like staff to pursue this type of study with Dr. Wilson, it can be done. This study will give the Council one more piece of information that is not known at the present moment and will give a general indication of citizen interest based on what the citizens know right now.

Mayor Parrott asked what the survey would cost, and City Manager Davis replied the cost would be very minimal. There might be some direct cost with the students and some type of preparation but the cost would be very small. The survey would give some idea of the general public's feelings.

Council Member Dunn stated that she was not opposed but anytime something is put out there with a dollar bill attached to it, people are going to say something about it. The

Council is sold on this but all the citizens may not be. Council Member Dunn further stated that she did think the citizens could be sold on the idea.

Council Member Little stated that the citizens will vote for the project if the Council can effectively explain to the citizens where the money is coming from, what it will cost the taxpayer and what the revenue source will be.

Mayor Parrott stated that most of the people that he had talked to feel good about what the Council has done and want to see some changes in the community. The citizens want to see West Greenville and the downtown area improved. Greenville has a university here and a major medical center and the Council has not done their job. Mayor Parrott further stated that he felt the majority of this City Council feels like it needs to move in that direction, but to move in that direction will take some money.

Council Member Glover stated that she felt the public trusts the Council to move the City in the direction that they have voiced the Council to move it in. Council Member Glover further stated that she felt in the past when decisions were made to build up the south side of Greenville, the west side was forgotten and now the west side sits between a major entity, the University and the Medical School, and there is no way to get around without going through West Greenville or coming past it and seeing it, and it is an eyesore. Yes, it is going to be taxed on the citizens, but look at what the City will get for a few cents more in taxes.

Council Member Council stated that she liked the idea of Dr. Wilson working with the City and using the students, because the students needed experience in urban planning.

A motion was made by Council Member Council and seconded by Council Member Little to request Dr. Ken Wilson's services. Motion carried unanimously.

Stormwater Drainage Project

Council Member Davis informed the City Council that the Stormwater Drainage Project and the Stormwater Utility Fund would pay the debt service back for these the projects.

Council Member Dunn asked how much money were they talking about, City Manager Davis replied \$5.1 million.

Technology:

City Manager Davis referred to the \$3.5 million Lease Purchase Program for technology improvements which included data backup/recovery (\$100,000), infrastructure network (\$550,000), fiber optic cabling (\$150,000), AS/400 expansion (\$200,000), and wireless networking (\$2,500,000).

Upon being asked what is in Capital Improvements, City Manager Davis replied that when Council started off on the 5 year program, there were \$160± million of capital

improvement requests. When Council sorts through the essential elements and comes to some type of closure of bond financing, then staff will take that information and try to wrap it back in an overall capital program.

Council Member Little asked if \$1.6 million was the amount in the City's current year Capital Improvements. City Manager Davis replied yes plus or minus.

City Manager Davis reminded the Council that the City uses lease purchase for some heavy equipment and that is standard.

Council Member Dunn asked if the Carver Library addition would be put in as another bond fund. City Manager Davis replied that Carver Library would be a COPS project.

City Manager Davis stated that the projects to be included in COPS include are Fire Rescue Station Number 6/Training Facility and Equipment, Administrative Facilities Renovation/Expansion, Carver Library Expansion and Park Development, which is approximately \$10 million.

Mayor Parrott stated that there was also \$6 million in capital reserve. City Manager Davis replied that was correct.

Council Member Dunn stated that presently there was \$10 million in COPS, \$24 million in General Obligation Bonds and close to \$1 million in Operating.

City Manager Davis stated that Council Member Dunn had included thoroughfare streets, the storm drainage, West Greenville and the Center City and that is what is being considered for the General Obligation Bonds.

Council Member Glover stated that she was still having a problem with the Center City and wanted to see it on paper.

City Manager Davis stated that staff would provide the Council with a map and the new reevaluation figures.

Council Member Little asked if Council could be provided with information regarding the growth of the tax base.

Yvonne Frazier, Senior Financial Services Manager, stated that the increase in the tax base has been around 5%. Personal property has varied some, but real property has been around 5%.

City Manager Davis reminded the Council that the ad valorem tax base for the City is a very large number and has been consistent in the 5% range over time.

Ms. Frazier stated that definitely over the past 3 years the increase in the tax base has been 5.3%.

Mayor Parrott asked what the tax property revenue was for the past year. Ms. Frazier replied approximately \$18 million.

It was the consensus of the Council to continue this discussion at the February 9th meeting.

Council Member Dunn instructed staff to provide the Council with a list of all the GO Bonds, COPS, and identify the operation cost of each of those that incur and some attempt to show growth in revenue and what the projected overall assessed evaluation is.

PRESENTATION BY THE MERCER GROUP, INC. FOR EXECUTIVE SEARCH SERVICES FOR THE POSITION OF CITY MANAGER

Mr. Jim Mercer, owner of The Mercer Group, informed the Council that the Mercer Group has been in business for 20 years and is a management consulting and executive search firm based in Atlanta, Georgia with 11 additional offices around the United States. Previous City Managers or persons who have worked in local government mostly staff the offices. Mr. Mercer stated that he was a former Assistant City Manager in Raleigh, North Carolina and is familiar with the State laws in North Carolina. The Mercer Group has done approximately 1,000 executive searches and the majority have been for City Managers. The firm has a good track record and has been invited back numerous times to do other searches. Mr. Mercer stated that if the Mercer Group were engaged to work with the City of Greenville, he would sit down with the Council at the beginning of the search process and discuss the different options offered to conduct a search and review experiences in the past. Mr. Mercer further stated that most managers placed by the Mercer Group last on an average of 8 years. The national average is 4 to 5 years.

The Mercer Group would spend time in Greenville and talk with the Council about the City's needs, where Council is trying to go strategically with the City, what goals and objectives the Council is trying to carry out, confronting issues, and talk to department heads and key citizens in the community. The Mercer Group would then tour the City and spend time understanding the community and then a position profile/recruitment brochure would be drafted. The brochure sets the search process in motion. The search process takes approximately 45 days. The primary method of doing that is through networking. This is a public position and should be advertised and posted on a number of different websites. The best people are really people who are not out of work or are not responding to a job ad, but people who are happy and are doing for another employer what this Council would like to have done for Greenville and try to attract these people to this position. Based on Greenville's reputation, the City would garner at least 100 applications. After reviewing and narrowing the applicants down to 12 to 15 people, the Mercer Group would then place the applicants on a matrix and then discuss with the Council the individuals and get the Council's feedback. Again narrowing the applicants down to 8 to 10, reference background checks would be completed and interviews would be held over the phone or by person. That group of applicants would then be narrowed down to 5 applicants. At that time the Mercer Group would recommend that Council interview, set a process, and sit through the interviews to help with the selections. Mr.

Mercer stated that he would return 30 to 60 days after a Manager was hired and set some mutual performance criteria for the first year. The Mercer Group would continue to stay in touch every quarter to help make the fit work. The overall process takes about 90 to 120 days.

Mr. Mercer informed the Council that he would be the principal person working on the assignment. Mr. Mercer stated that the Mercer Group clearly has the experience, has done a large number of City Manager searches, is knowledgeable of North Carolina and their process is thorough and proven.

The following questions were asked and the responses given:

What is your policy once the City hires a City Manager as far as recruiting that person down the road?

Response: The Mercer Group would not try to recruit this City Manager down the road without the Council's permission.

Do you have a good pool of candidates that are already known to you?

RESPONSE: The Mercer Group has been very actively involved in the International City and County Management Association. At any given year the firm does 12 to 15 city manager type searches and has built a good database. In addition to going to the database, the Mercer Group would also go out and see what else might be out there. Greenville's needs may be unique enough that the person might not be in the Mercer Group's database.

Will you advertise and if so where would you advertise?

RESPONSE: The Mercer Group typically advertises in the International City and County Manager Association News Letter which is published bi-weekly, a minority and women's publication, The Nation Cities Weekly, and also contact a number of minority and women's organizations and inform them of the search and opportunity and ask them to place it on their website or place an ad in their publications. One of those is the Nation Forum for Black Public Administrators, which has both a web site and a publication. There are a number of other publications and web sites that are used. The major advertisement is the brochure that is sent out and that generates a lot of response.

Could you expand on the process that of checking back with the City quarterly for the first year to see how the placement manager is doing?

RESPONSE: It is a simple process of calling the replacement that was made and then call members of the Council and ask how things are working out, which can help head off potential difficult situations.

Talk more about your staff. How many full time staff do you have?

RESPONSE: There are about 20 staff members and that sometimes varies. Those are mostly director, vice-president, and manager level people. Mr. Mercer stated that he owned 100% of the firm and also had part-time and full-time support staff.

If the City employed The Mercer Group would you be the primary person that we would be working with?

RESPONSE: You probably would not see anyone else unless something happened that I could not get out of such as jury duty, then someone else would be sent. Typically whomever takes an assignment is the one that is dealt with. The group does not switch around.

Do you do any type of personality or psychological testing of the applicant?

RESPONSE: The Mercer Group has been involved in all levels of testing including having finalist candidates go through an all day session with an industrial psychologist and returning the results back to the City Council. That is an expensive process. The Mercer Group has management style inventory that gives an idea of the finalist candidate's orientation towards task versus people and gives other information. There are people on staff that are certified to do the Myers Briggs so that is typically done with the finalist candidates or maybe down to the top person. This is done to get a personality trait.

What are some pitfalls that you have seen councils make in this process?

RESPONSE: The Council already has their minds made up that they have to have particular characteristics met when those are not really the important characteristics when there are other things that are equally important. The Council is not focused on the right criteria. It is important to be open and up front with each other. Someone may present a halo effect and to avoid that the Council needs to look at people more than one way.

You said you will be the main contact person. Will there be a team working with you?

RESPONSE: Yes, I usually use one or two people to do a lot of the contact work with the candidates, setting up meetings, etc. I use everyone in the firm as a possible source.

What sets you apart from your competitors and tell me about yourself and what got you into this and what keeps you going and what drives you?

RESPONSE: Most of the firms that work in this arena do good professional work. In this instance The Mercer Group probably has as much or more experience in North Carolina than anyone and formerly being in a city management business in North Carolina, I am familiar with state laws and have kept up with the laws because the firm does project work in state. The Mercer Group is well connected with the North Carolina League of Municipalities and has done management studies for League and has obtained ideas about people for them. The Mercer Group's references state that the firm exceeded their expectations. Mr. Mercer stated that the fact that he would be personally committed to this is a real plus and that he has more experience than almost anyone in the Country in this particular field. The reason Mr. Mercer still does this is because he really enjoys it.

North Carolina is a very conservative state. In hiring managers is there a difference in a northern midwestern city that differentiates the type of people that the Mercer Group has have recruited?

RESPONSE: Yes there is. That is why the firm wants to spend some time with you up front get to know the Council and have conversations about what the City can

accommodate and what the City cannot accommodate in a way of a person in their style and personal habits and that sort of thing. The City cannot accommodate certain life styles and cannot accommodate someone that hangs out in a bar every night. It is known that the City needs someone that has a high degree of integrity and ethics and that has a good stable situation in their personal life so that they do not bring that to the job every day. The firm would not be inclined to bring someone from a long ways away that came from a totally different environment because the fit would not be very good. It is the firm's responsibility to help reduce the City's risk about fit.

What kind of person do you think would be attracted to this City and job, somebody making a lateral move or seeing this as an elevation?

RESPONSE: North Carolina has a good reputation for local government so there are a lot of managers in the state that would be attracted to this job for a lot of reasons either an opportunity for them to move up in size or move into a community that has a major university in it which brings a lot of things that other cities do not have. It is a great opportunity for an assistant or a deputy to move up. There are a tremendous amount of people who want to come to NC because of the stability, it is good clean government, and people would be attracted to this community because of that.

Mayor Parrott thanked Mr. Mercer and stated he was one of two to be interviewed.

Mayor Parrott requested that this item be put on the agenda for the first meeting in February.

ADJOURNMENT

Motion was made by Council Member Dunn and seconded by Council Member Little to adjourn the meeting at 6:45. Motion carried unanimously.

Respectfully submitted,

Patricia A. Sugg, CMC
Deputy City Clerk